

**BEAVER COUNTY**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

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# Kimball & Roberts

A Professional Corporation  
Certified Public Accountants  
176 North Main • P.O. Box 663  
Richfield, Utah 84701

## INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners  
Beaver County  
Beaver, Utah 84713

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Beaver County, a governmental fund, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's financial statements as listed in the table of contents. These financial statements are the responsibility of Beaver County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Milford Area Health Care Service District #3, which represents 100 percent of the assets and revenues of the component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Milford Area Health Care Service District #3.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Beaver County at December 31, 2015, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, condition assessment of the County's infrastructure, budgetary comparison information, and Utah Retirement Systems pension liability and contribution information on pages 6 through 14, 56, 57 through 61, and 62 through 64, respectively, be presented to supplement the financial statements. Such information, although not part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2016, on our consideration of Beaver County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Beaver County's internal control over financial reporting and compliance.

*Kimball & Roberts, PC*

Certified Public Accountants

May 18, 2016  
Richfield, Utah

## **BEAVER COUNTY MANAGEMENT'S DISCUSSION AND ANALYSIS**

This discussion of Beaver County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2015. This report is in conjunction with the County's financial statements.

**All amounts, unless otherwise indicated, are expressed in thousands of dollars.**

The purpose of the County is to provide general services to its residents that includes general government, public safety, public health, highways and public improvements, parks and recreation, economic development, and culture and recreation.

### **Financial Highlights**

- \* The assets of Beaver County exceeded its liabilities as of the close of the most recent year by \$25,276 (*net position*). Of this amount, \$3,236 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- \* The revenues of the General Fund were less than the adopted budgeted amounts and expenditures were less than the adopted budgeted amounts.
- \* At the close of the current year, the Beaver County governmental funds reported combined ending fund balances of \$10,502. Approximately 40 percent of this total amount, \$4,244 is available for spending at the government's discretion (unassigned fund balance).
- \* At the end of the current year, unassigned fund balance for the General Fund was \$4,244, or 38 percent of total General Fund expenditures.
- \* Beaver County's total debt decreased by a net amount of \$452 during the current year.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to Beaver County's basic financial statements. Beaver County's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### **Government-wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of Beaver County's finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on all of Beaver County's position and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Beaver County is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Beaver County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Beaver County include general government, public safety, public health, highways and public improvements, parks and recreation, economic development, and culture and recreation.

The government-wide financial statements include not only Beaver County itself (known as the primary government), but also one legally separate special service district for hospital services, for which Beaver County is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Refer to the table of contents for the location of the government-wide financial statements.

## **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Beaver County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Beaver County can be divided into three categories, governmental funds, proprietary funds and fiduciary funds.

### **Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Beaver County maintains eleven individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Class B Road, and Debt Service Funds, all of which are considered to be major funds.

Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Beaver County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the General Fund and major special revenue funds to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

### **Fiduciary Funds**

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those fund are *not* available to support Beaver County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Refer to the table of contents for the location of the basic fiduciary fund financial statements.

### **Notes To The Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Beaver County.

The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information.



## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Beaver County, assets exceeded liabilities by \$25,276 at the close of the most recent fiscal year.

By far the largest portion of Beaver County's net position reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. Beaver County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Beaver County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## Governmental Activities:

### Beaver County's Net Position

	2015	2014
Current and Other Assets	\$ 11,297	\$ 9,744
Capital Assets	24,484	25,166
Total Assets	35,781	34,910
Deferred Outflows of Resources	1,224	-
Current Liabilities	1,021	800
Long-Term Liabilities	10,192	8,004
Total Liabilities	11,213	8,804
Deferred Inflows of Resources	517	-
Net Position:		
Net Investment in Capital Assets	16,682	16,918
Restricted	5,358	5,121
Unrestricted	3,236	4,067
Total Net Position	\$ 25,276	\$ 26,106

A portion of Beaver County's net position (21 percent) represents resources that are subject to external restrictions on how they may be used. At year end Beaver County is able to report positive balances in all categories.

Governmental activities increased Beaver County's net position by \$1,440. Key elements of this increase are as follows:

#### Beaver County's Changes in Net Position

	2015	2014
<b>Revenues:</b>		
Program Revenues:		
Charges For Services	\$ 9,549	\$ 8,870
Operating Grants and Contributions	1,637	2,307
General Revenues:		
Property Taxes	2,050	2,640
Other Taxes	911	774
Grants and Contributions Not		
Restricted to Specific Programs	1,108	1,151
Unrestricted Investment Earnings	40	31
Other	(6)	129
Total Revenues	15,289	15,902
<b>Expenses:</b>		
General Government	2,079	2,115
Public Safety	8,314	8,301
Public Health	386	410
Highways and Public Improvements	1,856	1,444
Parks and Recreation	192	220
Economic Development	651	575
Culture and Recreation	129	89
Interest on Long-Term Debt	242	628
Total Expenses	13,849	13,782
Increase in Net Position	1,440	2,120
Net Position - Beginning, Restated	23,836	23,986
Net Position - End	\$ 25,276	\$ 26,106

#### Financial Analysis of the Government's Funds

As noted earlier, Beaver County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

## Governmental Funds

The focus of Beaver County's *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing Beaver County's financing requirements. In particular *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, Beaver County's governmental funds reported combined ending fund balances of \$10,502, an increase of \$1,382 in comparison with the prior year. Approximately 40 percent of this amount, \$4,244, is *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *restricted* to indicate that it is not available for new spending because it has already been restricted for: 1) Highways and Public Improvements, \$1,962; 2) Debt Service, \$2,581; 3) Economic Development, \$642; 4) Public Safety, \$65; and 5) Recreation, \$108. Funds were also committed for: 1) Public Safety, \$874; and 2) Economic Development, \$26.

The General Fund is the chief operating fund of Beaver County. At the end of the current year, unassigned fund balance of the General Fund was \$4,244. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance represents 38 percent of total General Fund expenditures.

## General Fund Budgetary Highlights

Differences between the original budget and the final amended budget can be briefly summarized as follows:

<u>Revenues:</u>	<u>Expenditures:</u>
* \$6,672 increase in sale of fixed assets	* \$153,147 increase in general government
* \$454,370 increase in contributions from surplus	* \$224,834 increase in public safety
	* \$4,004 increase in public health
	* \$36,373 increase in parks and recreation
	* \$42,684 increase in economic development

During the year actual revenues were less than budgeted revenues by \$392, and actual expenditures were less than budgeted expenditures by \$992 resulting in a net increase in fund balance of \$600.

## Capital Asset and Debt Administration

### Capital Assets

Beaver County's investment in capital assets for its governmental activities as of December 31, 2015 was \$24,484 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment and infrastructure, which includes roads, highways and bridges. The total additions in Beaver County's investment in capital assets for the current year was \$171. Major capital asset events during the current year include the following:

- \* Equipment and automobiles, \$171.

Also, the County has elected to use the modified approach to account for its infrastructure assets, such as roads and bridges. That information can be found in the required supplemental information following the notes to the financial statements.

**Beaver County's Capital Assets**  
(net of depreciation)

	2015	2014
Land	\$ 264	\$ 264
Rights of Way	286	286
Infrastructure	8,587	8,587
Buildings	14,366	14,802
Equipment	939	1,179
Improvements	42	48
Total	<u>\$ 24,484</u>	<u>\$ 25,166</u>

Additional information on Beaver county's capital assets can be found in the notes to the financial statements.

**Long-Term Debt**

At the end of the current year, Beaver County had total bonded debt outstanding of \$7,803. The debt is represented by the following:

**Beaver County's Outstanding Debt**

	2015	2014
General Obligation Bonds	\$ 1,118	\$ 1,140
Revenue Bonds	6,411	6,799
Special Assessment Bonds	274	316
Total	<u>\$ 7,803</u>	<u>\$ 8,255</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 2 percent of its total fair market value of taxable property in the County. The current debt limitation for Beaver County is approximately \$28,656. Beaver County has general obligation debt of \$1,118 as of December 31, 2015.

Additional information on Beaver County's long-term debt can be found in the notes of the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

- \* The unemployment rate for Beaver County is 3.4 percent which is a decrease from a rate of 3.5 percent a year ago. This is slightly higher than the State's average unemployment rate of 3.1 percent. The national unemployment rate for the same period was 5.0 percent.

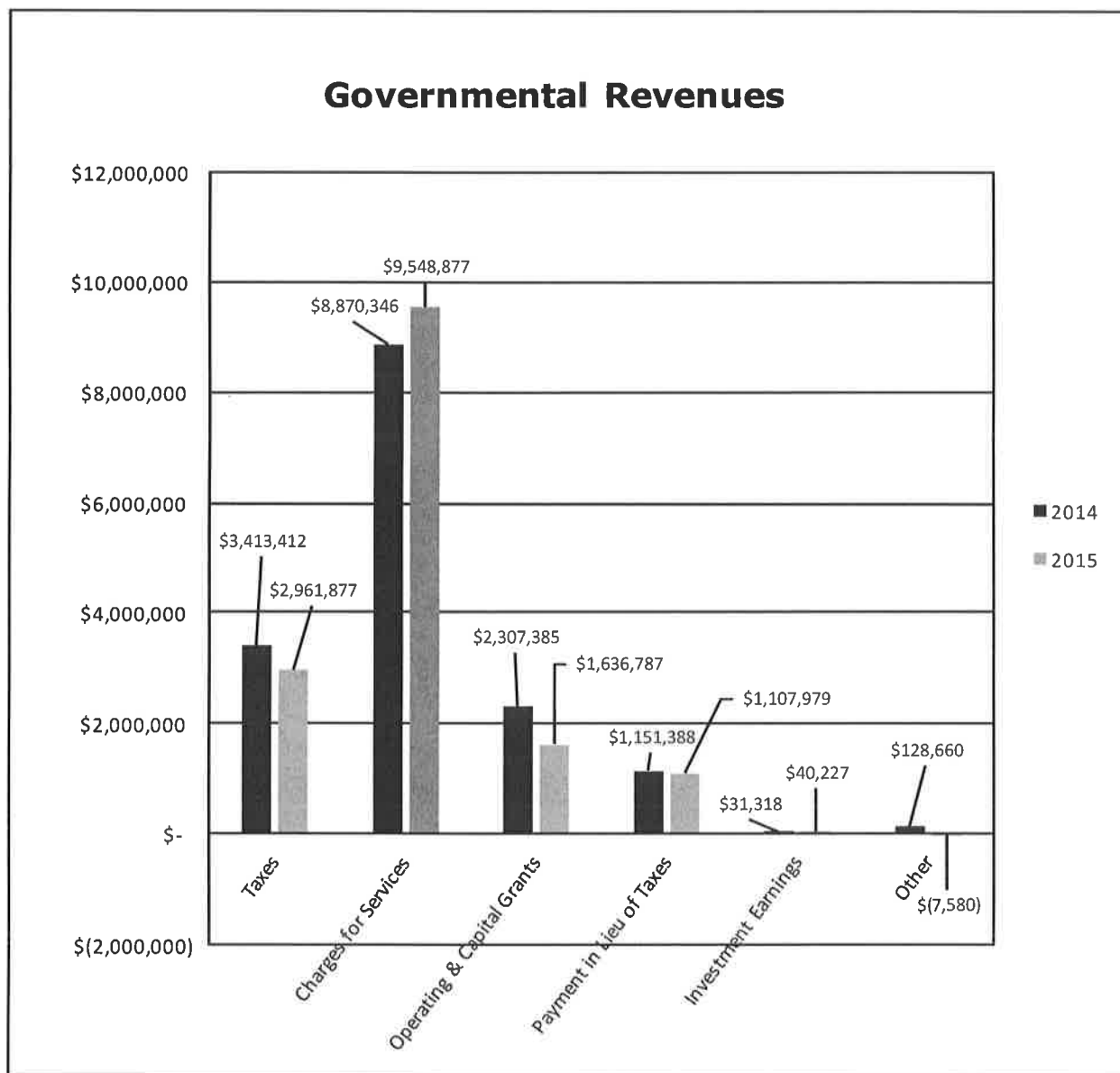
These factors were considered in preparing Beaver County's budget for the 2016 year.

**Request for Information**

This financial report is designed to provide a general overview of Beaver County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Beaver County Clerk/Auditor, P. O. Box 392, Beaver, Utah, 84713.

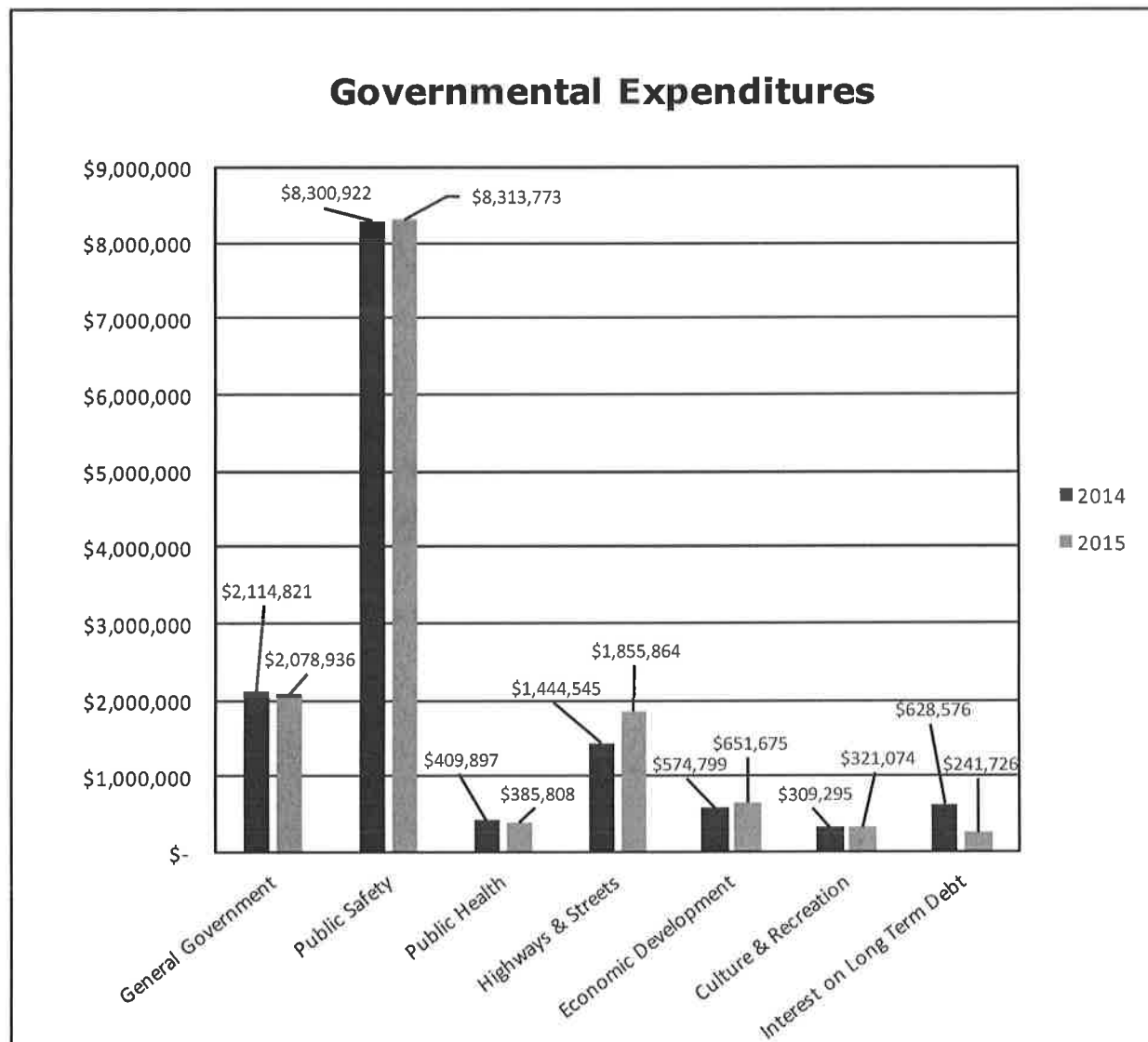
**Beaver County  
Governmental Revenues  
For The Years Ending December 31, 2015 and 2014**

	2015	2014
Taxes	\$ 2,961,877	\$ 3,413,412
Charges for Services	9,548,877	8,870,346
Operating & Capital Grants	1,636,787	2,307,385
Payment in Lieu of Taxes	1,107,979	1,151,388
Investment Earnings	40,227	31,318
Other	(7,580)	128,660
<b>Total Revenues</b>	<b>\$ 15,288,167</b>	<b>\$ 15,902,509</b>



**Beaver County  
Governmental Expenditures  
For The Year Ended December 31, 2015 and 2014**

	2015	2014
General Government	\$ 2,078,936	\$ 2,114,821
Public Safety	8,313,773	8,300,922
Public Health	385,808	409,897
Highways & Streets	1,855,864	1,444,545
Economic Development	651,675	574,799
Culture & Recreation	321,074	309,295
Interest on Long Term Debt	241,726	628,576
<b>Total</b>	<b><u>\$ 13,848,856</u></b>	<b><u>\$ 13,782,855</u></b>



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## **BASIC FINANCIAL STATEMENTS**

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**BEAVER COUNTY**  
**STATEMENT OF NET POSITION**  
**December 31, 2015**

	Primary Governmental Activities	Component Unit
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ 4,299,312	\$ 909,131
Accounts Receivable (Net)	76,090	40,974
Special Assessments Receivable	50,000	-
Property Taxes Receivable	-	677,453
Due From Other Government Units	918,287	-
Prepaid Expenses	-	-
Total Current Assets	<u>5,343,689</u>	<u>1,627,558</u>
Noncurrent Assets:		
Restricted Cash and Investments	5,742,087	7,128
Net Pension Asset	11,233	-
Special Assessment Receivable	200,000	-
Capital Assets (Net of Accumulated Depreciation)	<u>24,484,168</u>	<u>8,281,180</u>
Total Noncurrent Assets	<u>30,437,488</u>	<u>8,288,308</u>
TOTAL ASSETS	<u>35,781,177</u>	<u>9,915,866</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Related To Pensions	<u>1,224,014</u>	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 37,005,191</u>	<u>\$ 9,915,866</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 533,904	\$ -
Accrued Liabilities	-	-
Bond Interest Payable	24,211	63,431
G. O. Bond Payable	23,000	-
Revenue Bonds Payable	397,000	204,000
Special Assessment Bonds Payable	<u>43,000</u>	<u>-</u>
Total Current Liabilities	<u>1,021,115</u>	<u>267,431</u>
Noncurrent Liabilities:		
Lease Revenue Bonds Payable	-	-
G. O. Bond Payable	1,095,000	-
Revenue Bonds Payable	6,013,568	7,151,000
Special Assessment Bonds Payable	231,000	-
Net Pension Liability	2,581,870	-
Closure and Postclosure Costs	-	-
Compensated Absences	<u>270,111</u>	<u>-</u>
Total Noncurrent Liabilities	<u>10,191,549</u>	<u>7,151,000</u>
TOTAL LIABILITIES	<u>11,212,664</u>	<u>7,418,431</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Related to Pensions	516,794	-
Unearned Revenues	<u>-</u>	<u>677,453</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>516,794</u>	<u>677,453</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	16,681,600	926,180
Restricted For:		
Class B Roads	1,962,219	-
Economic Development	641,875	-
Public Safety	65,138	-
Culture and Recreation	107,725	-
Debt Service	2,580,876	7,128
Unrestricted	<u>3,236,300</u>	<u>886,674</u>
TOTAL NET POSITION	<u>25,275,733</u>	<u>1,819,982</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 37,005,191</u>	<u>\$ 9,915,866</u>

The notes to the financial statements are an integral part of this statement.



**BEAVER COUNTY**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended December 31, 2015**

Function/Programs Primary Government:	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants/Contributions	Capital Grants/Contributions	Primary Governmental Activities	Component Unit
Governmental Activities:						
General Government	\$ 2,078,936	\$ 1,162,896	\$ -	\$ -	\$ (916,040)	\$ -
Public Safety	8,313,773	8,089,225	156,575	-	(67,973)	-
Public Health	385,808	-	147,033	-	(238,775)	-
Highways and Public Improvements	1,855,864	218,828	1,300,679	-	(336,357)	-
Parks and Recreation	191,616	-	-	-	(191,616)	-
Economic Development	651,675	-	32,500	-	(619,175)	-
Culture and Recreation	129,458	77,928	-	-	(51,530)	-
Interest on Long-Term Debt	241,726	-	-	-	(241,726)	-
Total Primary Government	<u>\$ 13,848,856</u>	<u>\$ 9,548,877</u>	<u>\$ 1,636,787</u>	<u>\$ -</u>	<u>(2,663,192)</u>	<u>-</u>
<b>Component Unit:</b>						
Hospital District #3	\$ 884,182	\$ -	-	\$ -	-	(884,182)
Total Component Unit	<u>\$ 884,182</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(884,182)</u>
<b>General Revenues:</b>						
Property Taxes					2,050,480	693,570
Fee-In-Lieu of Property Taxes					57,380	-
Sales Taxes					468,232	-
Transient Room Tax					286,354	-
Restaurant Tax					99,431	-
Grants and Contributions Not Restricted to Specific Programs					1,107,979	-
Unrestricted Investment Earnings					40,227	2,873
Other Income					119,022	1,456
Loss on Disposition of Capital Assets					(126,602)	-
Total General Revenues and Transfers					<u>4,102,503</u>	<u>697,899</u>
Change in Net Position					1,439,311	(186,283)
Net Position - Beginning, Restated					23,836,422	2,006,265
Net Position - Ending					<u>\$ 25,275,733</u>	<u>\$ 1,819,982</u>

The notes to the financial statements are an integral part of this statement.

**BEAVER COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2015**

	General Fund	Class B Road Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Investments	\$ 4,101,380	\$ 1,752,407	\$ 2,498,251	\$ 1,689,361	\$ 10,041,399
Accounts Receivable	76,090	-	-	-	76,090
Special Assessments Receivable	-	-	250,000	-	250,000
Due From Other Government Units	559,490	250,508	82,625	25,664	918,287
<b>TOTAL ASSETS</b>	<b>\$ 4,736,960</b>	<b>\$ 2,002,915</b>	<b>\$ 2,830,876</b>	<b>\$ 1,715,025</b>	<b>\$ 11,285,776</b>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accounts Payable	\$ 493,208	\$ 40,696	\$ -	\$ -	\$ 533,904
Unearned Revenue	-	-	250,000	-	250,000
<b>Total Liabilities</b>	<b>493,208</b>	<b>40,696</b>	<b>250,000</b>	<b>-</b>	<b>783,904</b>
Fund Balance:					
Restricted For:					
Class B Roads	-	1,962,219	-	-	1,962,219
Economic Development	-	-	-	641,875	641,875
Culture and Recreation	-	-	-	107,725	107,725
Public Safety	-	-	-	65,138	65,138
Debt Service	-	-	2,580,876	510,255	3,091,131
Committed For:					
Public Safety	-	-	-	363,556	363,556
Economic Development	-	-	-	26,476	26,476
Unassigned:					
General Fund	4,243,752	-	-	-	4,243,752
<b>Total Fund Balance</b>	<b>4,243,752</b>	<b>1,962,219</b>	<b>2,580,876</b>	<b>1,715,025</b>	<b>10,501,872</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 4,736,960</b>	<b>\$ 2,002,915</b>	<b>\$ 2,830,876</b>	<b>\$ 1,715,025</b>	<b>\$ 11,285,776</b>

The notes to the financial statements are an integral part of this statement.

**BEAVER COUNTY**  
**GOVERNMENTAL BALANCE SHEET RECONCILIATION TO STATEMENT OF NET POSITION**  
**December 31, 2015**

Total Fund Balances - Governmental Fund Types	\$ 10,501,872
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	\$	263,660
Right of Way		286,330
Paved Roads		8,587,420
Buildings		14,366,116
Equipment		938,050
Improvements		42,592
Net Pension Asset		<u>11,233</u>

Total - Net of Depreciation	24,495,401
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Deferred Outflows of resources, a consumption of net position that applies to future periods, is not shown in the fund statements.	1,224,014
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Long-term liabilities, including bonds payable and deferred inflows of resources, are not due and payable in the current period and therefore are not reported in the fund statements:

Lease Revenue Bonds	\$	(5,476,622)
General Obligation Bonds		(1,118,000)
Special Assessment Bonds		(274,000)
Excise Tax Bonds		(933,946)
Net Pension Liability		(2,581,870)
Deferred Inflows of Resources Due to Pensions		(516,794)
Compensated Absences		(270,111)
Bond Interest Payable		<u>(24,211)</u>

Total	(11,195,554)
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Other long-term liabilities, deferred revenue, not included in government-wide financial statements on the accrual basis.	<u>250,000</u>
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Net Position of Government Activities	<u><u>\$ 25,275,733</u></u>
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The notes to the financial statements are an integral part of this statement.

**BEAVER COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For The Year Ended December 31, 2015**

	General Fund	Class B Road Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$2,412,732	\$ -	\$ -	\$ 553,274	\$ 2,966,006
Licenses and Permits	513,449	-	-	-	513,449
Intergovernmental	1,091,796	1,609,198	-	-	2,700,994
Charges for Services	7,027,214	-	701,760	-	7,728,974
Fines and Forfeitures	562,866	-	-	-	562,866
Interest	40,227	-	-	-	40,227
Miscellaneous	136,858	218,828	50,000	564,404	970,090
Total Revenues	<u>11,785,142</u>	<u>1,828,026</u>	<u>751,760</u>	<u>1,117,678</u>	<u>15,482,606</u>
<b>Expenditures:</b>					
Current:					
General Government	2,122,565	-	-	-	2,122,565
Public Safety	7,939,754	-	-	50,433	7,990,187
Public Health	323,707	-	-	61,282	384,989
Highways/Public Improvements	-	1,765,550	-	-	1,765,550
Parks and Recreation	187,920	-	-	-	187,920
Economic Development	455,260	-	-	196,415	651,675
Culture and Recreation	-	-	-	129,458	129,458
Capital Outlay	171,299	-	-	-	171,299
Debt Service:					
Principal	-	-	168,260	284,000	452,260
Interest	-	-	42,613	201,622	244,235
Total Expenditures	<u>11,200,505</u>	<u>1,765,550</u>	<u>210,873</u>	<u>923,210</u>	<u>14,100,138</u>
Excess Revenue Over (Under)					
Expenditures	<u>584,637</u>	<u>62,476</u>	<u>540,887</u>	<u>194,468</u>	<u>1,382,468</u>
<b>Other Financing Sources (Uses):</b>					
Transfers In	15,750	-	111,050	-	126,800
Transfers Out	-	(81,050)	-	(45,750)	(126,800)
Total Other Financing	<u>15,750</u>	<u>(81,050)</u>	<u>111,050</u>	<u>(45,750)</u>	<u>-</u>
Net Change In Fund Balance	600,387	(18,574)	651,937	148,718	1,382,468
Fund Balance - Beginning	<u>3,643,365</u>	<u>1,980,793</u>	<u>1,928,939</u>	<u>1,566,307</u>	<u>9,119,404</u>
Fund Balance - Ending	<u>\$4,243,752</u>	<u>\$1,962,219</u>	<u>\$2,580,876</u>	<u>\$1,715,025</u>	<u>\$10,501,872</u>

The notes to the financial statements are an integral part of this statement.

**BEAVER COUNTY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For The Year Ended December 31, 2015**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 1,382,468
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The Statement of Activities shows pension benefits and pension expenses from the adoption of GASB 68 that are not shown on the fund statements.	405,849
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital Outlays	\$ 171,299	
Disposition of Capital Assets	(144,439)	
Depreciation Expense	<u>(708,283)</u>	
Total		(681,423)

Revenues in the funds on a cash basis are not revenues in the Statement of Activities which is on the accrual basis.

Special Assessment Receipts	(50,000)
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The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Payment of Long-Term Debt	452,260
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Increase in Compensated Absences	\$ (72,352)	
Decrease in Accrued Interest Payable	<u>2,509</u>	
Total		<u>(69,843)</u>

Changes In Net Position of Governmental Activities	<u>\$ 1,439,311</u>
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The notes to the financial statements are an integral part of this statement.

**BEAVER COUNTY**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**December 31, 2015**

**ASSETS:**

Cash Invested	\$ 595,922
Taxes Receivable	<u>46,385</u>
 TOTAL ASSETS	 <u><u>\$ 642,307</u></u>

**LIABILITIES:**

Collections Payable	\$ 94,673
Due to Taxing Units	<u>547,634</u>
 TOTAL LIABILITIES	 <u><u>\$ 642,307</u></u>

The notes to the financial statements are an integral part of this statement.

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of Beaver County have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

The basic accompanying financial statements present the financial position of various fund types and the results of operations of the various fund types. The financial statements are presented for the year ended December 31, 2015.

**A. Reporting Entity:**

For financial reporting purposes, Beaver County has included all funds. The County has also considered all potential component units for which it is financially accountable and that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens, on the County.

As required by generally accepted accounting principles, these basic financial statements present Beaver County (the primary government) and its component unit. The component unit is included in the County's reporting entity because of the significance of its operational or financial relationship with the County. Complete financial statements of the individual component unit, that issued separate financial statements, can be obtained from the Beaver County Auditor's office.

**Discrete Component Unit:**

The component unit is an entity which is legally separate from the County, but is financially accountable to the County or whose relationships with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. The County must approve their tax rates and debt. The County could also take away their operating authority and could dissolve the District. This district was organized under the State of Utah's Statute for special service districts, Section 17A-2-1300. The component unit column of the combined financial statements include the financial data of the following entity:

- \* Milford Area Health Care Service District #3 (Governmental Fund Type) - The District was established by resolution of the Board of County Commissioners of Beaver County on October 4, 1982, pursuant to State law, to provide hospital services to the territory which includes the municipalities of Milford City and Minersville Town. The District was audited by other independent auditors, and their report, dated May 18, 2016, has been previously issued under separate cover. A copy of the report can be obtained at the Beaver County Auditor's Office in Beaver, Utah.

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Blended Component Unit:**

The County established by resolution a building authority for the purpose of, but not limited to, acquiring, leasing, constructing, furnishing, maintaining or operating a jail building and related facilities, and to acquire or lease land required for or related to these purposes. The governing board of the Building Authority is the County Commission. The Building Authority is accounted for in a special revenue fund.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., Statement of Net Position and Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from a legally separate component unit for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.



**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Beaver County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Class B Road Fund receives funding from the State Department of Transportation to be expended on eligible B Roads in the County.

The Debt Service Fund accounts for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

The Government also reports the following Other Governmental Funds:

Restaurant Tax, Tusher Campground, Transient Room Tax, Library, Public Health, E-911, Municipal Building Authority and Capital Projects. These funds account for revenue sources that are restricted to expenditures for specific purposes.

Additionally the Government reports the following fund type:

The Treasurer's Tax Collection Agency Fund is used to account for taxes collected by the County Treasurer for the taxing entities within the County.

The Redevelopment Agency Fund is used to account for taxes collected by the County that are held in trust for businesses qualifying for RDA tax relief.

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation.

The government has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Assets, Liabilities and Equity**

**Deposits and Investments:**

The government's deposits and investments are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government, as well as for its component unit, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**Capital Assets:**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets account group.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property, plant and equipment of the primary government, as well as the component unit, is depreciated using the straight line method over the following estimated useful lives:

Buildings	40 Years
Improvements Other Than Buildings	20 Years
Equipment	5 - 10 Years

**Compensated Absences:**

It is the County's policy to permit employees to accumulate earned but unused vacation and comp time benefits. All vacation pay is accrued when incurred in the government-wide financial statements.

**Long-Term Obligations:**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Equity Classifications:**

Equity is classified in the government-wide financial statements as net position and is displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

In the fund financial statements governmental fund equity is classified as fund balance. Fund balance is further classified as Nonspendable, Restricted, Committed, Assigned or Unassigned.

**Nonspendable fund balance** classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

**Restricted fund balance** classification are restricted by enabling legislation. Also reported if, (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed fund balance** classification includes those funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority.

**Assigned fund balance** classification includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Also includes all remaining amounts that are reported in governmental funds, other than the general fund that are not classified as nonspendable, restricted nor committed or in the General Fund, that are intended to be used for specific purposes.

**Unassigned fund balance** classification is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

**E. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**F. Property Taxes:**

Property taxes are assessed and collected for the County by Beaver County and remitted to the County shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable November 1, and are delinquent after November 30. All dates are in the year of levy.

**G. Date of Subsequent Event Evaluation:**

Beaver County's subsequent events have been evaluated through the day of the financial statement issuance of May 18, 2016.

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Budgets and Budgetary Accounting:**

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the County Auditor and County Commissioners on or before December 15 for the following fiscal year beginning January 1. Estimated revenues and appropriations may be increased or decreased by resolution of the County Commissioners at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the County's budgetary control (the level at which the County's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Utah State law prohibits the appropriation of unreserved General Fund balance to an amount less than 5% of the General Fund revenues. The 5% reserve that cannot be budgeted is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. The maximum in the General Fund may not exceed 50% of the General Fund's total revenue.

Once adopted, the budget may be amended by the County Commissioners without a public hearing provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held if the budgeted expenditures will exceed budgeted revenues and any fund balance which is available for budgeting. With the consent of the Commissioners, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

**I. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has only one type of item that qualifies for reporting in this category, deferred outflows as relating to pensions as described in Note 17.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item that qualifies for reporting in this category. The County deferred inflows as relating to pensions as described Note 17. This amount is deferred and recognized as an inflow of resources in the period in which the amount becomes available.

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 2 - CASH AND INVESTMENTS**

The County maintains a cash and investment pool that is available for use by all funds. Each fund types portion of this pool is displayed on the combined balance sheet as "Cash and Investments".

**Deposits:**

At December 31, 2015, the carrying amount of the County's deposits for the primary government was \$2,894,723 and the bank balances were \$3,158,360. Of the bank balance, \$500,000 was covered by federal depository insurance.

At December 31, 2015, the carrying amount of the component unit was \$74,102 and the bank balances were \$74,102. Of the bank balance, \$74,102 was covered by federal depository insurance. State statutes do not require collateral to be pledged for deposits.

**Primary Government:**

Cash and investments as of December 31, 2015, consist of the following:

	<u>Fair Value</u>
Demand Deposits	\$ 2,894,723
Investments - PTIF	<u>7,742,598</u>
Total Cash and Investments	<u><u>\$ 10,637,321</u></u>

Cash and investments listed above are classified in the accompanying government-wide Statement of Net Position as follows:

Governmental Activities - Unrestricted	\$ 4,299,312
Governmental Activities - Restricted	<u>5,742,087</u>
Total Governmental Activities	10,041,399
Fiduciary Fund	<u>595,922</u>
Total Cash and Investments	<u><u>\$ 10,637,321</u></u>

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

**Component Unit:**

Cash and investments as of December 31, 2015, consist of the following:

	<u>Fair Value</u>
Demand Deposits	\$ 74,102
Investments - PTIF	<u>842,157</u>
Total Cash and Investments	<u><u>\$ 916,259</u></u>

Cash and investments listed above are classified in the accompanying government-wide Statement of Net Position as follows:

Governmental Activities - Unrestricted	\$ 909,131
Governmental Activities - Restricted	<u>7,128</u>
Total Cash and Investments	<u><u>\$ 916,259</u></u>

The Utah Money Management Act (UMMA) established specific requirements regarding deposits of public funds by public treasurers. UMMA requires that County funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations.

Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

Deposits and investments for local government are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, "the Act") and by rules of the Utah Management Council ("the Council"). Following are discussions of the local government's exposure to various risks related to its cash management activities.

**Custodial Credit Risk:**

Deposits - Custodial credit risk for deposits is the risk that in the event of a bank failure, the local government's deposits may not be recovered. The local government's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the local government to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of December 31, 2015, \$2,658,360 of the local government's bank balances of \$3,158,360 were uninsured and uncollateralized.

**Credit Risk:**

Credit risk is the risk that the counterparty of an investment will not fulfill its obligations. The local government's policy for limiting the credit risk of investments is to comply with the Money Management Act.

The local government is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

For the year ended December 31, 2015, the local governments has investments of \$7,742,598 with the PTIF. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

**Interest Rate Risk:**

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The local government manages its exposure to declines in fair value by investments mainly in the PTIF and by adhering to the Money Management Act. The act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

**Concentration of Credit Risk:**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.



**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 3 - DUE TO TAXING UNITS - AGENCY FUND**

Beaver County assesses and collects taxes for the taxing units of the County. The County remits such monies to the taxing units according to the tax rates set by each taxing unit. The amount of \$556,061 represents monies collected by the County Treasurer in 2015 and dispersed to the taxing units in 2016.

**NOTE 4 - SPECIAL ASSESSMENT RECEIVABLE**

The County has created a special assessment district with Circle 4 Farms for the repayment of money expended for road projects for the benefit of Circle 4 Farms. The terms of the agreement require Circle 4 Farms to make an annual payments of \$50,000 to the County. The project was funded by a loan from the Community Impact Board of \$775,000 which requires payments over 20 years with interest at 2.5%. The County will make the debt service payment to CIB and Circle 4 Farms will reimburse the County for the amount of the debt service payment.

The following is a summary of required payments to the County:

	<u>Principal</u>
2016	\$ 50,000
2017	50,000
2018	50,000
2019	50,000
2020	<u>50,000</u>
Total	<u>\$ 250,000</u>

The following is a summary of changes in Special Assessments Receivable:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Special Assessments	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 250,000</u>

**NOTE 5 - DUE FROM OTHER GOVERNMENT UNITS**

The receivable from other governmental units are as follows:

<u>Agency</u>	<u>Amount</u>
Class B Roads	\$ 250,508
Governmental Agencies	632,605
Local Entities	<u>35,174</u>
Total Receivable	<u>\$ 918,287</u>

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 6 - CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2015, was as follows:

**Primary Government:**

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 263,660	\$ -	\$ -	\$ 263,660
Rights of Way	286,330	-	-	286,330
Infrastructure	<u>8,587,420</u>	<u>-</u>	<u>-</u>	<u>8,587,420</u>
 Total Capital Assets Not Being Depreciated	 <u>9,137,410</u>	 <u>-</u>	 <u>-</u>	 <u>9,137,410</u>
 Capital Assets Being Depreciated:				
Buildings	21,157,854	-	-	21,157,854
Improvements Other Than Buildings	120,192	-	-	120,192
Equipment	<u>4,319,864</u>	<u>171,299</u>	<u>233,567</u>	<u>4,257,596</u>
 Total Capital Assets Being Depreciated	 <u>25,597,910</u>	 <u>171,299</u>	 <u>233,567</u>	 <u>25,535,642</u>
 Less Accumulated Depreciation For:				
Buildings	6,356,327	435,411	-	6,791,738
Improvements Other Than Buildings	72,265	5,335	-	77,600
Equipment	<u>3,141,137</u>	<u>267,537</u>	<u>89,128</u>	<u>3,319,546</u>
 Total Accumulated Depreciation	 <u>9,569,729</u>	 <u>708,283</u>	 <u>89,128</u>	 <u>10,188,884</u>
 Total Capital Assets Being Depreciated (Net)	 <u>16,028,181</u>	 <u>(536,984)</u>	 <u>144,439</u>	 <u>15,346,758</u>
 Governmental Activities Capital Assets, Net	 <u><u>\$ 25,165,591</u></u>	 <u><u>\$ (536,984)</u></u>	 <u><u>\$ 144,439</u></u>	 <u><u>\$ 24,484,168</u></u>

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
Continued

**NOTE 6 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions of the Primary Government as follows:

	Governmental Activities
General Government	\$ 70,710
Public Safety	542,744
Public Health	819
Highways and Public Improvements	90,314
Parks and Recreation	<u>3,696</u>
Total Depreciation Expense	<u><u>\$ 708,283</u></u>

**Component Unit:**

Statement of Changes in Capital Assets (Component Unit) as of December 31, 2015:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 84,343	\$ -	\$ -	\$ 84,343
Total Capital Assets Not Being Depreciated	<u>84,343</u>	<u>-</u>	<u>-</u>	<u>84,343</u>
Capital Assets Being Depreciated:				
Buildings	10,054,448	-	-	10,054,448
Equipment	<u>522,981</u>	<u>-</u>	<u>-</u>	<u>522,981</u>
Total Capital Assets Being Depreciated	10,577,429	-	-	10,577,429
Less Accumulated Depreciation	<u>(2,010,307)</u>	<u>(370,285)</u>	<u>-</u>	<u>(2,380,592)</u>
Total Capital Assets Being Depreciated (Net)	<u>8,567,122</u>	<u>(370,285)</u>	<u>-</u>	<u>8,196,837</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,651,465</u>	<u>\$ (370,285)</u>	<u>\$ -</u>	<u>\$ 8,281,180</u>

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 7 - LONG-TERM DEBT**

**Primary Government:**

**Sick Leave:**

Employees are allowed 12 days of sick leave each year at one day per month. Sick leave may be accumulated up to 60 days. At year end, any accumulated sick leave in excess of 60 days will be paid at 50% of the employee's daily rate.

**Compensated Absences:**

The amount of compensated absences at year end was \$270,111. This has been calculated from accrued compensatory time.

	Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015
Compensated Absences	\$ 197,759	\$ 72,352	\$ -	\$ 270,111

**Public Safety Building:**

During 1997 the County obtained sufficient funding for the construction of a public safety building which includes a jail, related law enforcement offices and state courts. Construction began in 1997 and has been completed. The long-term funding for the construction was as follows:

Agency	Amount
CIB General Obligation Bonds - Series 1997A	\$ 1,400,000
General Obligation Bonds - Series 1997B	5,100,000
Community Impact Board Grant	854,000
Municipal Building Authority Lease Revenue Bonds	2,555,000
Total funding Sources	\$ 9,909,000

During 1997 Beaver County issued General Obligation Bonds in the amounts of \$5,100,000 and \$1,400,000. In addition, the County also issued \$2,555,000 of Lease Revenue Bonds through Municipal Building Authority which will be funded by lease revenues obtained by the Building Authority. These bonds were all issued in connection with the construction of the new Public Safety Building.

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

During 2005 the County defeased the Lease Revenue Bonds through Zions Bank. The County advanced Zions Bank \$1,411,201 to defease the balance due on the Bonds of \$1,355,000. The gross savings on the debt service was \$403,220. The present value net loss was \$603. The bonds mature on December 31, 2022.

The schedules of debt service payment required are as follows:

**Series 1997A General Obligation Bond:**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 23,000	\$ 27,950	\$ 50,950
2017	23,000	27,375	50,375
2018	204,000	26,800	230,800
2019	209,000	21,700	230,700
2020	214,000	16,475	230,475
2021-2022	445,000	16,750	461,750
Totals	<u>\$ 1,118,000</u>	<u>\$ 137,050</u>	<u>\$ 1,255,050</u>

**2001 CIB Special Assessment Bonds Payable:**

During 2001, the County created a special assessment district with Circle 4 Farms for the repayment of monies expended for a road project which benefited Circle 4 Farms. The terms of the agreement with the Community Impact Board require the County to make annual payments over 20 years with interest at 2.5%. The bonds mature on September 1, 2021.

The following is a summary of required debt service payments by the County:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 43,000	\$ 6,846	\$ 49,846
2017	44,000	5,775	49,775
2018	45,000	4,676	49,676
2019	46,000	3,550	49,550
2020	47,000	2,396	49,396
2021	49,000	1,212	50,212
Totals	<u>\$ 274,000</u>	<u>\$ 24,455</u>	<u>\$ 298,455</u>

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**Municipal Building Authority Lease Revenue Bonds:**

During 2005, the Municipal Building Authority authorized the issuance of \$8,400,000 of Lease Revenue Bonds for the purpose of building an addition to the current corrections facility in Beaver, Utah. The MBA issued \$6,900,000 during the year. The bonds also require a reserve fund of \$510,255 paid in six (6) annual installments of approximately \$85,042.50 beginning December 1, 2007. At December 31, 2014 the reserve was fully funded at \$510,255. The bonds will mature on November 15, 2030.

The Municipal Building Authority has entered into a lease agreement with Beaver County for yearly payments sufficient for the MBA to make the debt service payments. Beaver County will make the lease payments from charges for services to the State of Utah for housing State inmates in the correctional facility.

The following is a summary of required debt service payments by the County:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 294,000	\$ 215,775	\$ 509,775
2017	304,000	205,485	509,485
2018	315,000	194,845	509,845
2019	326,000	183,280	509,280
2020	337,000	172,410	509,410
2021-2025	1,872,000	676,585	2,548,585
2026-2030	<u>2,028,622</u>	<u>301,057</u>	<u>2,329,679</u>
Totals	<u>\$ 5,476,622</u>	<u>\$ 1,949,437</u>	<u>\$ 7,426,059</u>

**Excise Tax Road Bonds, Series 2008:**

On July 1, 2008, the County authorized the issuance and sale of Excise Tax Road Bonds, Series 2008, in an aggregate principal amount of \$670,000. These funds were used for the purpose of defraying a portion of the cost of financing the acquisition, renovation and/or construction of roads and related qualified improvements and paying the costs of issuing said Series 2008 Bonds. The bonds were issued at par bearing an interest rate of 3.50% per annum. They were purchased by the Community Impact Board. The bonds will mature July 1, 2018.

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
Continued

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

The following is a summary of required debt service payments by the County:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 73,000	\$ 7,761	\$ 80,761
2017	75,000	5,206	80,206
2018	73,740	2,581	76,321
Totals	<u>\$ 221,740</u>	<u>\$ 15,548</u>	<u>\$ 237,288</u>

**Excise Tax Revenue Bonds, Series 2010:**

On November 16, 2009, Beaver County issued Taxable Excise Tax Revenue Bonds, Series 2009 of \$900,000 with an annual interest rate of 0%. Bond proceeds are to be used to renovate the historic courthouse in Beaver, Utah. The Permanent Community Impact Board purchased the bonds. The bonds are to be paid back from Transient Room Tax over a 30 year period. Payments of \$30,000 per year will begin October 1, 2012 and continue on each October 1st of each of the years set forth in the following repayment schedule as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 30,000	-	\$ 30,000
2017	30,000	-	30,000
2018	30,000	-	30,000
2019	30,000	-	30,000
2020	30,000	-	30,000
2021-2025	150,000	-	150,000
2026-2030	150,000	-	150,000
2031-2035	150,000	-	150,000
2036-2039	112,206	-	112,206
Totals	<u>\$ 712,206</u>	<u>-</u>	<u>\$ 712,206</u>

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

The following is a schedule of changes in Bonds Payable for the Primary Government:

Description	Date of Issue	Interest Rate	Total Issued	Outstanding December 31, 2014	Issued	Matured	Outstanding December 31, 2015	Due Within the Year
Series 1997 A								
General Obligation Bonds	1997	2.50%	\$ 1,400,000	\$ 1,140,000	\$ -	\$ 22,000	\$ 1,118,000	\$ 23,000
2001 CIB								
Special Assessment Bonds	2001	2.50%	775,000	316,000	-	42,000	274,000	43,000
2005 MBA								
Lease Revenue Bonds	2005	3.50%	8,400,000	5,760,622	-	284,000	5,476,622	294,000
Series 2008								
Excise Tax Revenue Road Bonds	2008	3.50%	670,000	296,000	-	74,260	221,740	73,000
Series 2009								
Excise Tax Revenue Bonds	2009	0.00%	900,000	742,206	-	30,000	712,206	30,000
Total			<u>\$12,145,000</u>	<u>\$8,254,828</u>	<u>\$ -</u>	<u>\$ 452,260</u>	<u>\$7,802,568</u>	<u>\$ 463,000</u>



**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

The following is a summary of Bonds Payable to maturity for the Primary Government:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 463,000	\$ 258,332	\$ 721,332
2017	476,000	243,841	719,841
2018	667,740	228,902	896,642
2019	611,000	208,530	819,530
2020	628,000	191,281	819,281
2021-2025	2,516,000	694,547	3,210,547
2026-2030	2,178,622	301,057	2,479,679
2031-2035	150,000	-	150,000
2036-2039	112,206	-	112,206
Totals	<u>\$ 7,802,568</u>	<u>\$ 2,126,490</u>	<u>\$ 9,929,058</u>

**Component Unit:**

**Bonds Payable:**

**Milford Area Health Care Service District #3**

Milford Area Health Care Service District #3 lease revenue bonds, payable in installments through September 2042. Annual principal and interest payments in varying amounts commenced in January 1992, bearing interest at 1.5 %. \$ 370,000

General Obligation Bond Series 2007 due in annual principal and interest installments beginning October 1, 2010 to 2038, bearing interest at 3.5%. 6,985,000

Total Bonds Payable - Milford Area Health Care Service District #3 \$ 7,355,000

Milford Area Health Care Service District #3 is primarily liable for repayment of the bond liability. Funds for said repayment will be made available through leasing the financed facilities to Milford Valley Memorial Hospital and/or discretionary allocation of the issuers tax levy revenues.

Changes in bonds payable for the component unit during 2015 was as follows:

	<u>Balance December 31, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance December 31, 2015</u>
Milford Area Health Care	<u>\$ 7,553,000</u>	<u>\$ -</u>	<u>\$ 198,000</u>	<u>\$ 7,355,000</u>

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 8 - BOND RESERVE FUNDS**  
**MBA Lease Revenue Bonds**

Beginning December 1, 2007, and on each December 1 thereafter until the reserve fund is fully funded there will be deposited into the reserve fund from base rentals received by the Municipal Building Authority the amount of \$510,255 in six (6) annual installments of approximately \$85,042.50. The balance in the reserve fund at year-end was \$510,255. Reserve is fully funded.

**Excise Tax Road Bonds, Series 2008:**

**Sinking Fund:**

A Sinking Fund is required for the Excise Tax Road Bonds. The amount required to be deposited is 1/12 of the yearly bond principle and interest payment. Balance in the sinking fund at year end is \$81,050.

**Reserve Account:**

The Bond Resolution establishes a Reserve Account which will be funded with revenues of the County over a six year period (72 months) until there is \$81,050 on deposit. This reserve requires a monthly deposit of \$1,125.69. Deposits began July 1, 2008. The balance of the Reserve Account at year-end is \$81,050. Reserve is fully funded.

**Excise Tax Revenue Bonds, Series 2009:**

The Bond Resolution establishes a Series 2009 Reserve Account which will be funded up to \$30,000 over a 72 month period, with installments of \$417 per month. Installments to this reserve are to begin on the date of delivery of the bonds. The balance of the Series 2009 Reserve Account at year-end is \$30,000. Reserve is fully funded.

The following is a summary of changes in bond reserves:

	Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015
MBA Lease Revenue Bonds	\$ 510,255	\$ -	\$ -	\$ 510,255
Series 2008 Excise Tax Road:				
Sinking Fund	81,050	-	-	81,050
Bonds Reserve Account	81,050	-	-	81,050
Series 2009 Reserve Account	25,854	4,146	-	30,000
	<u>\$ 698,209</u>	<u>\$ 4,146</u>	<u>\$ -</u>	<u>\$ 702,355</u>

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 9 - MUNICIPAL BUILDING AUTHORITY**

On November 6, 1995, the County Commissioners organized the Municipal Building Authority to acquire, improve or extend one or more projects and to finance their costs on behalf of the public body that created it and to all other lawful things allowed by law for this type of corporation. The trustees of the Building Authority consists of three board members, who are the duly elected County Commissioners. The Building Authority is treated as a blended component unit for County reporting purposes.

**NOTE 10 - CLASS B ROAD - RESTRICTED FUND BALANCE**

The following is a statement of changes in Class B Roads Restricted Fund Balance:

Balance - Beginning of Year		\$ 1,980,793
Revenues:		
State Allotments	\$ 1,300,679	
State PILT	308,519	
Reimbursements	<u>218,828</u>	
Total Revenues		1,828,026
Expenditures		<u>(1,846,600)</u>
Balance - End of Year		<u>\$ 1,962,219</u>

**NOTE 11 - DEBT SERVICE FUND**

The following is a statement of changes in Debt Service Fund:

Balance - Beginning of Year		\$ 1,928,939
Revenues:		
District Court Leases	\$ 85,056	
State Prisoner Contracts	616,704	
Contributions From Private Sources	50,000	
Transfer from Other Funds	<u>111,050</u>	
Total Revenues		862,810
Expenditures:		
Bond Interest Payments & Fees	\$ (42,613)	
Bond Principal Payments	<u>(168,260)</u>	
Total Expenditures		<u>(210,873)</u>
Balance - End of Year		<u>\$ 2,580,876</u>

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 12 - TRANSFERS**

<u>Description</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 15,750	\$ -
Class B Road	-	81,050
Transient Room Tax	-	45,750
Debt Service	111,050	-
	<u>\$ 126,800</u>	<u>\$ 126,800</u>

Transfers were made for the following purposes:

- \* The Class B Road Fund transferred \$81,050 to the Debt Service Fund for debt service.
- \* The Transient Room Tax Fund transferred \$15,750 to the General Fund for fair expenditures.
- \* The Transient Room Tax Fund transferred \$30,000 to the Debt Service Fund for debt service.

**NOTE 13 - RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in the Utah Association of Counties Insurance Mutual, a self-funded risk financing pool administered by the Utah Association of Counties. Through the Mutual, the County maintains general liability, errors and omissions, flood, earthquake, newly acquired property, builders risk, unscheduled location, and crime. The Mutual is reinsured through commercial companies to provide the following coverage:

The Mutual does not provide coverage for all risks and hazards, however, the County has obtained coverage for these risks through other commercial carriers for employee accidental death and dismemberment, workers compensation, and surety bond coverage.

Claims have not exceeded coverage in any of the last three calendar years.

**NOTE 14 - ROUNDING CONVENTION**

A rounding convention to the nearest whole dollar has been applied throughout this report, therefore the precision displayed in any monetary amount is plus or minus \$1. These financial statements are computer generated and the rounding convention is applied to each amount displayed in a column, whether detail item or total. As a result, without the overhead cost of manually balancing each column, the sum displayed amounts in a column may not equal the total displayed. The maximum difference between any displayed number or total and its actual value will not be more than \$1.

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 15 - CONTINGENT ASSET**

Beaver County is a member of the Utah Counties Indemnity Pool (UCIP). If the UCIP was dissolved by a majority of the entire membership in favor of dissolution the assets of the Pool not used to needed for the purposes of the Pool, including its contractual obligations, would be distributed as determined by the board, only to Utah counties who are members of the Pool at the time of dissolution. If the County was to withdraw before this time, they would not be entitled to any distribution of funds.

**NOTE 16 - PRIOR PERIOD ADJUSTMENTS**

The requirement to apply GASB 68 this fiscal year resulted in an adjustment to the prior period net positions. This is due to the required disclosure of a Net Pension Liability, Deferred Outflows and Inflows of Resources and if applicable a Net Pension Asset. The net result to net positions are as follows:

	<u>Governmental Funds</u>
Net Position - Beginning of Period	\$ 26,105,688
GASB 68 Adjustments to Prior Period	<u>(2,269,266)</u>
Net Position - Beginning, Restated	<u><u>\$ 23,836,422</u></u>

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 17 - PENSION PLAN**

**Plan Description:**

Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost sharing, public employee retirement system.

The Public Safety Retirement System (Public Safety System) is a mixed agent and cost sharing, multi-employer retirement system.

Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System): and the Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The System's defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S., Salt Lake City, Utah, 84102 or visiting the website: [www.urs.org](http://www.urs.org).

**Benefits:**

URS provides retirement, disability, and death benefits. Retirement benefits are as shown on the following page.

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 17 - PENSION PLAN (CONTINUED)**

<u>System</u>	<u>Final Average Salary</u>	<u>Years of Service Required and/or Age Eligible for Benefit</u>	<u>Benefit Percent Per Year of Service</u>	<u>Cola**</u>
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65*	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending on the employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety, Firefighter System	Highest 5 years	25 years any age 20 years any age 60* 10 years 62* 4 years age 65	1.5% per year all years	Up to 2.5%

\* with actuarial reductions

\*\* All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

**Contributions:**

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as shown on following page:

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 17 - PENSION PLAN (CONTINUED)**

**Utah Retirement Systems**

	<u>Employee Paid</u>	<u>Paid by Employer for Employee</u>	<u>Employee Contribution Rates</u>
Contributory System			
111 - Local Governmental Division			
Tier 2	N/A	N/A	14.910%
Noncontributory System:			
15 - Local Governmental Division			
Tier 1	N/A	N/A	18.470%
Public Safety Retirement Systems:			
43 - Other Division A Noncontributory			
Tier 1	N/A	N/A	34.040%
122 - Other Division A Contributory			
Tier 2	N/A	N/A	22.500%

***Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2014, we reported a net pension asset of \$11,233 and a net pension liability of \$2,581,870.

	<u>Proportionate Share</u>	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>
Noncontributory System	0.1955073%	\$ -	\$ 848,939
Public Safety System	1.3779853%	-	1,732,931
Tier 2 Public Employees System	0.0574779%	1,742	-
Tier 2 Public Public Safety and Firefighter System	0.6415770%	9,491	-
Total Net Pension Asset/Liability		\$ 11,233	\$ 2,581,870



**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 17 - PENSION PLAN (CONTINUED)**

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.

For the year ended December 31, 2014, we recognized pension expense of \$753,587. At December 31, 2014 we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 310	\$ 199,873
Changes in assumptions	-	316,921
Net difference between projected and actual earnings on pension plan investments	61,205	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	<u>1,162,499</u>	<u>-</u>
Total	<u>\$ 1,224,014</u>	<u>\$ 516,794</u>

\$1,162,499 was reported as deferred outflows of resources to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	<u>Deferred Outflows (Inflows) of Resources</u>
2015	\$ (130,018)
2016	\$ (130,018)
2017	\$ (130,018)
2018	\$ (62,967)
2019	\$ (332)
Thereafter	\$ (1,926)

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 17 - PENSION PLAN (CONTINUED)**

**Actuarial Assumptions:**

The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 Percent
Salary Increases	3.50 - 10.50 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table on the following page.

**Retired Member Mortality**

Class of Member

**Educators**

Men EDUM (90%)

Women EDUF (100%)

**Public Safety and Firefighters**

Men RP 2000mWC (100%)

Women EDUF (120%)

**Local Government, Public Employees**

Men RP 2000mWC (100%)

Women EDUF (120%)

*EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage*

*EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage*

*RP 2000mWC = RP2000 Combined mortality table for males with white collar adjustments multiplied by given percentage*

The actuarial assumptions used in the January 1, 2014, valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table on the following page:

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 15 - PENSION PLAN (CONTINUED)**

Expected Return Arithmetic Basis			
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity Securities	40 %	7.06 %	2.82 %
Debt Securities	20 %	0.80 %	0.16 %
Real Assets	13 %	5.10 %	0.66 %
Private Equity	9 %	11.30 %	1.02 %
Absolute Return	18 %	3.15 %	0.57 %
Cash and Cash Equivalents	0 %	0.00 %	0.00 %
Totals	100 %		5.23 %
		Inflation	2.75 %
		Expected arithmetic nominal return	7.98 %

The 7.50% investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

**Discount Rate:**

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate:**

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate shown on the following page:

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 17 - PENSION PLAN (CONTINUED)**

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate Share of Net Pension (Asset)/Liability	\$6,449,833	\$2,570,637	(\$606,413)

**Pension Plan Fiduciary Net Position:**

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

**NOTE 18 - CONDENSED FINANCIAL STATEMENTS - DISCRETELY PRESENTED COMPONENT UNIT**

Beaver County has one component unit which is described below:

**Governmental Fund Types:**

**Milford Area Health Care Service District #3:**

The District provides hospital services to the territory which includes the municipalities of Milford City and Minersville Town.

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
Continued

**NOTE 18 - CONDENSED FINANCIAL STATEMENTS - DISCRETELY PRESENTED COMPONENT UNIT**

Condensed Financial Statements for the year ended December 31, 2015, is as follows:

**Condensed Statement of Net Position:**

	Milford Area Health Care Service District #3
	<u>District #3</u>
Current Assets	\$ 1,627,558
Noncurrent Assets:	
Restricted Cash	7,128
Capital Assets (Net)	<u>8,281,180</u>
Total Assets	<u><u>\$ 9,915,866</u></u>
Liabilities:	
Current Liabilities	\$ 267,431
Noncurrent Liabilities:	
Post Closure Payable	-
Long-Term Debt	<u>7,151,000</u>
Total Liabilities	<u>7,418,431</u>
Deferred Inflows of Resources:	
Unavailable Revenue	<u>677,453</u>
Net Position:	
Net Investment in	
Capital Assets	926,180
Restricted	7,128
Unrestricted	<u>886,674</u>
Net Position	<u>1,819,982</u>
Total Liabilities and Net Position	<u><u>\$ 9,915,866</u></u>

**NOTE 18 - CONDENSED FINANCIAL STATEMENTS - DISCRETELY PRESENTED COMPONENT UNIT**  
**Condensed Statement of Revenues, Expenses and Changes in Net Position:**

Milford Area Health Care  
Service District #3

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**REQUIRED SUPPLEMENTARY  
INFORMATION  
(UNAUDITED)**

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**BEAVER COUNTY**  
**CONDITION RATING OF THE COUNTY'S ROAD SYSTEM**  
**For The Year Ended December 31, 2015**

Percentage of Lane-Miles in Good or Better Condition:

	2015	2014	2013	2012	2011
Paved	70	65	75	74	70
Gravel	75	76	76	76	75
Dirt	65	65	65	68	65
Overall System	70	69	72	73	70

Percentage of Lane-Miles in Substandard Condition:

	2015	2014	2013	2012	2011
Paved	25	25	15	11	12
Gravel	12	9	9	9	10
Dirt	14	14	14	13	14
Overall System	17	15	13	11	12

Comparison of Needed-to-Actual Maintenance/Preservation:

	2015	2014	2013	2012	2011
Paved:					
Needed	1,500,000	1,700,000	1,300,000	1,300,000	1,200,000
Actual	970,000	713,000	1,200,000	1,200,000	1,025,000
Gravel:					
Needed	800,000	375,000	125,000	500,000	225,000
Actual	640,000	360,000	115,000	325,000	150,000
Dirt:					
Needed	150,000	150,000	150,000	200,000	75,000
Actual	140,000	127,000	75,000	150,000	75,000

The condition of road pavement is measured using the American... (AASHTO) pavement management system, which is based on stress factors found in pavement surfaces. The AASHTO pavement management system uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify roads in good condition (70-100), fair condition (50-69), and substandard condition (less than 50). It is the County's policy to maintain at least 60 percent of its road system at a good or better condition level. No more than 15 percent should be in substandard condition. Condition assessments are determined every year.

This schedule presents the information for the last five years. GASB standards require reporting the last three complete condition assessments and needed-to-actual information for 5 years.

The condition of the County's bridges is determined using its Bridge Management and Inspection Program (BMIP). The bridge condition rating which is a weighted average of an assessment of the ability of individual components to function structurally, uses a numerical condition scale ranging from 1.0 (impaired or load restricted) to 7.0 (New). It is the County's policy to keep the number and square footage of deck area of bridges with a condition rating of 1.0 to 1.9 below 1 percent. All bridges are inspected every year.



**BEAVER COUNTY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETS**  
**For The Year Ended December 31, 2015**

**Budgetary Comparison Schedules:**

The Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual presented in this section of the report are for the County's General Fund and Class B Road Fund.

**Budgeting and Budgetary Control:**

Budgets for the General Fund and Class B Road Fund are legally required and are prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by the County Commission prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the Commission through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

**Current Year Budgetary Compliance:**

For the year ended December 31, 2015, spending for all funds and departments of the County were within the approved budgets.

**BEAVER COUNTY**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For The Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget</u>
<b>Revenues:</b>				
Taxes:				
General Property Taxes	\$ 1,300,000	\$ 1,300,000	\$ 1,310,431	\$ 10,431
Delinquent Prior Years Taxes	50,000	50,000	28,443	(21,557)
General Sales and Use Taxes	390,000	390,000	468,232	78,232
Assessing and Collecting - State	190,000	190,000	-	(190,000)
Assessing and Collecting - Local	350,000	350,000	517,545	167,545
Fee-In-Lieu	55,000	55,000	57,380	2,380
Penalties and Interest	35,000	35,000	30,701	(4,299)
Total Taxes	<u>2,370,000</u>	<u>2,370,000</u>	<u>2,412,732</u>	<u>42,732</u>
Licenses and Permits:				
Building Permits	200,000	200,000	460,371	260,371
Non-Business Licenses and Permits	38,000	38,000	53,078	15,078
Total Licenses and Permits	<u>238,000</u>	<u>238,000</u>	<u>513,449</u>	<u>275,449</u>
Intergovernmental Revenue:				
Council On Aging	125,000	125,000	147,033	22,033
Payment-In-Lieu of Taxes	641,000	641,000	645,760	4,760
Mineral Lease	76,500	76,500	148,941	72,441
State Grants	57,500	57,500	95,109	37,609
State Liquor Law	15,000	15,000	17,693	2,693
State Payments in Lieu	-	-	4,760	4,760
Economic Development Contribution	30,000	30,000	32,500	2,500
Total Intergovernmental Revenue	<u>945,000</u>	<u>945,000</u>	<u>1,091,796</u>	<u>146,796</u>
Charges for Services:				
Clerk's Fees	7,000	7,000	16,225	9,225
Recorder's Fees	45,000	45,000	36,295	(8,705)
Treasurer's Fees	1,000	1,000	665	(335)
District Court Contract	29,800	29,800	24,808	(4,992)
Sheriff Fees	30,000	30,000	25,957	(4,043)
Police Service Contract	375,000	375,000	438,353	63,353
State Prisoners Contract	6,587,258	6,587,258	5,898,023	(689,235)
Animal Control Contract	45,000	45,000	67,417	22,417
Inmate Medical Reimbursements	5,000	5,000	10,680	5,680
Inmate Service Revenue	220,000	220,000	338,278	118,278
State Prisoner Contract-COP	-	-	99,042	99,042
County Fair Revenue	20,000	20,000	21,690	1,690
Minersville Lake Fees	30,000	30,000	41,193	11,193
Other	3,000	3,000	8,588	5,588
Total Charges for Services	<u>7,398,058</u>	<u>7,398,058</u>	<u>7,027,214</u>	<u>(370,844)</u>

(Continued)

**BEAVER COUNTY**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For The Year Ended December 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	Budgetary Basis	Final Budget
<b>Revenues (Continued):</b>				
Fines and Forfeitures:				
Justice Court Fines	\$ 590,000	\$ 590,000	\$ 562,866	\$ (27,134)
Miscellaneous Revenue:				
Interest	25,000	25,000	40,227	15,227
Sale of Fixed Assets	10,000	16,672	17,837	1,165
Sundry Revenues	75,000	75,000	119,021	44,021
Total Miscellaneous Revenue	110,000	116,672	177,085	60,413
Contributions and Transfers:				
Transfers from Other Funds	15,750	15,750	15,750	-
Contribution from General Fund Surplus	64,618	518,988	-	(518,988)
Total Contributions and Transfers	80,368	534,738	15,750	(518,988)
Total Revenues	11,731,426	12,192,468	11,800,892	(391,576)
<b>Expenditures:</b>				
General Government:				
Commission	280,960	293,695	293,539	156
Public Defender	65,000	65,140	65,140	-
Justice Court - Beaver	212,979	223,681	223,026	655
Justice Court - Minersville	20,900	21,338	19,090	2,248
Information Technology	129,600	141,078	104,872	36,206
GIS	64,153	69,294	68,534	760
Clerk-Auditor	217,222	217,677	209,371	8,306
Treasurer	121,883	122,845	115,488	7,357
Recorder	170,942	174,418	170,817	3,601
Attorney	395,104	413,323	413,675	(352)
Assessor	154,303	163,613	157,582	6,031
Milford Administrative Office	80,349	97,939	92,914	5,025
Non-Departmental	120,000	149,901	162,217	(12,316)
Courthouse and Grounds	102,376	118,251	100,079	18,172
Elections	9,000	25,725	25,725	-
Total General Government	2,144,771	2,297,918	2,222,069	75,849

(Continued)

**BEAVER COUNTY**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For The Year Ended December 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	Budgetary Basis	
<b>Expenditures (Continued):</b>				
Public Safety:				
Sheriff	\$ 1,905,051	\$ 2,017,674	\$ 1,917,835	\$ 99,839
Fire Warden	68,000	68,000	57,108	10,892
Corrections	5,884,074	5,949,218	5,601,624	347,594
Building, Zoning, Economic Development	235,038	273,100	214,473	58,627
Animal Control	84,747	91,581	85,839	5,742
Emergency Management	100,977	102,218	99,579	2,639
Emergency Medical Services	3,000	3,000	-	3,000
Victim Advocate	37,507	38,437	35,091	3,346
Total Public Safety	<u>8,318,394</u>	<u>8,543,228</u>	<u>8,011,549</u>	<u>531,679</u>
Health and Public Welfare:				
Welfare and Indigent Care	3,000	3,000	1,266	1,734
Council On Aging	336,427	340,431	322,441	17,990
Total Health and Public Welfare	<u>339,427</u>	<u>343,431</u>	<u>323,707</u>	<u>19,724</u>
Parks, Recreation and Public Property:				
Recreation and Television	25,000	27,653	27,653	-
County Fair	165,205	198,925	160,267	38,658
Total Parks, Recreation, and Public Property	<u>190,205</u>	<u>226,578</u>	<u>187,920</u>	<u>38,658</u>
Conservation and Economic Development:				
Agriculture and Extension Services	80,433	82,314	81,962	352
Weed Control	40,950	44,073	42,257	1,816
Economic Development	112,246	113,101	25,223	87,878
Contributions to Other Government Units	425,000	461,825	236,825	225,000
Childrens Justice Center	10,000	10,000	12,089	(2,089)
Miscellaneous Expense	70,000	70,000	56,904	13,096
Total Conservation and Economic Development	<u>738,629</u>	<u>781,313</u>	<u>455,260</u>	<u>326,053</u>
Total Expenditures	<u>11,731,426</u>	<u>12,192,468</u>	<u>11,200,505</u>	<u>991,963</u>
Excess Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	600,387	<u>\$ 600,387</u>
Fund Balance - Beginning			<u>3,643,365</u>	
Fund Balance - Ending			<u>\$ 4,243,752</u>	

**BEAVER COUNTY**  
**BUDGETARY COMPARISON SCHEDULE**  
**CLASS B ROAD**  
**For The Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 1,100,000	\$ 1,100,000	\$ 1,300,679	\$ 200,679
State PILT	320,000	320,000	308,519	(11,481)
Contribution From Private Source	-	362,429	-	(362,429)
Sundry	-	-	218,828	218,828
Contribution From Fund Balance	<u>362,429</u>	<u>79,070</u>	<u>-</u>	<u>(79,070)</u>
Total Revenues	<u>1,782,429</u>	<u>1,861,499</u>	<u>1,828,026</u>	<u>(33,473)</u>
<b>Expenditures:</b>				
County Roads	1,671,379	1,750,449	1,762,675	(12,226)
Capital Outlay	30,000	30,000	2,875	27,125
Contributions to Other funds	<u>81,050</u>	<u>81,050</u>	<u>81,050</u>	<u>-</u>
Total Expenditures	<u>1,782,429</u>	<u>1,861,499</u>	<u>1,846,600</u>	<u>14,899</u>
Excess Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	(18,574)	<u>\$ (18,574)</u>
Fund Balance - Beginning			<u>1,980,793</u>	
Fund Balance - Ending			<u>\$ 1,962,219</u>	

**BEVER COUNTY**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**UTAH RETIREMENT SYSTEMS**  
**December 31, 2014**  
Last 10 Fiscal Years\*

	<u>Noncontributory System</u>	<u>Public Safety System</u>	<u>Tier 2 Public Employees System</u>	<u>Tier 2 Public Safety and Firefighting System</u>
Proportion of the Net Pension Liability (Asset)	0.1955073 %	1.3779853 %	0.0574779 %	0.6415770 %
Proportionate Share of the Net Pension Liability (Asset)	\$ 848,939	\$ 1,732,931	\$ (1,742)	\$ (9,491)
Covered Employee Payroll	\$ 1,629,910	\$ 1,964,550	\$ 281,871	\$ 265,170
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	52.1 %	88.2 %	-0.6 %	-3.6 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.2 %	90.5 %	103.5 %	120.5 %

\* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10-year schedule will need to be built prospectively. The schedule above is only for the current year.

**BEAVER COUNTY**  
**SCHEDULE OF CONTRIBUTIONS**  
**UTAH RETIREMENT SYSTEMS**  
**December 31, 2014**  
Last 10 Fiscal Years\*

	Noncontributory System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighting System
Contractually Required Contribution	\$ 307,283	\$ 678,734	\$ 23,714	\$ 28,909
Contributions in Relation to the Contractually Required Contribution	<u>(307,283)</u>	<u>(678,734)</u>	<u>(23,714)</u>	<u>(28,909)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 1,629,910	\$ 1,964,550	\$ 281,871	\$ 265,170
Contributions as a Percentage of Covered-Employee Payroll **	18.85 %	34.55 %	8.41 %	10.90 %

\* Amounts presented were determined as of calendar year January 1 - December 31. Employers will be required to prospectively develop this table in future years to show 10-years of information. The schedule above is only for the current year.

\*\* Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding of other administrative issues.

**BEAVER COUNTY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**UTAH RETIREMENT SYSTEMS**  
**December 31, 2014**

**Other Information Not Required as Part of RSI:**

The information below is not required as part of GASB 38 but is provided for informational purposes. The schedule below is a summary of the Defined Contribution Savings Plans for pay periods January 1 - December 31.

Defined Contribution System

	<u>Employee Paid Contributions</u>	<u>Employer Paid Contributions</u>
401(k) Plan*	\$ 78,461	\$ 175,404
457 Plan	\$ 51,909	\$ -
Roth IRA Plan	\$ 2,560	\$ -
Traditional IRA Plan	\$ -	\$ -
HRA Plan	\$ -	\$ -

\*The employer paid 401(k) contributions include the totals paid for employees enrolled in the Tier 2 Defined Contribution 401(k) Plan.



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# **COMBINING FINANCIAL STATEMENTS AND SCHEDULES**

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(This page contains no information and  
is used to assist in formatting for easier reading)

**BEAVER COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL FIDUCIARY FUNDS**  
**For The Year Ended December 31, 2015**

	Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015
<b>PROPERTY TAX FUND</b>				
<b>ASSETS</b>				
Cash	\$ 711,567	\$ 11,345,769	\$ 11,545,197	\$ 512,139
Taxes Receivable	47,597	46,385	47,597	46,385
<b>TOTAL ASSETS</b>	<u>\$ 759,164</u>	<u>\$ 11,392,154</u>	<u>\$ 11,592,794</u>	<u>\$ 558,524</u>
<b>LIABILITIES</b>				
Due to Taxing Units	\$ 754,893	\$ 11,372,890	\$ 11,571,722	\$ 556,061
Collections Payable	4,271	22,835	24,643	2,463
<b>TOTAL LIABILITIES</b>	<u>\$ 759,164</u>	<u>\$ 11,395,725</u>	<u>\$ 11,596,365</u>	<u>\$ 558,524</u>
<b>CLERK'S COURT TRUST FUND</b>				
<b>ASSETS</b>				
Cash	\$ 34,716	\$ 163,700	\$ 188,877	\$ 9,539
<b>LIABILITIES</b>				
Collections Payable	\$ 34,716	\$ 163,700	\$ 188,877	\$ 9,539
<b>JUSTICE COURT TRUST FUND</b>				
<b>ASSETS</b>				
Cash	\$ 58,265	\$ 843,155	\$ 836,185	\$ 65,235
<b>LIABILITIES</b>				
Collections Payable	\$ 58,265	\$ 843,155	\$ 836,185	\$ 65,235
<b>PAYROLL TRUST</b>				
<b>ASSETS</b>				
Cash	\$ 169,296	\$ 609,518	\$ 761,378	\$ 17,436
<b>LIABILITIES</b>				
Collections Payable	\$ 169,296	\$ 609,518	\$ 761,378	\$ 17,436
<b>REDEVELOPENT AGENCY FUND</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 300	\$ 8,727	\$ (8,427)
<b>LIABILITIES</b>				
Due to Taxing Units	\$ -	\$ -	\$ 8,427	\$ (8,427)

**BEAVER COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL FIDUCIARY FUNDS**  
**For The Year Ended December 31, 2015**

	Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015
<b>TOTALS - ALL FIDUCIARY FUNDS</b>				
<b>ASSETS</b>				
Cash	\$ 973,844	\$ 12,962,442	\$ 13,340,364	\$ 595,922
Taxes Receivable	47,597	46,385	47,597	46,385
<b>TOTAL ASSETS</b>	<b>\$ 1,021,441</b>	<b>\$ 13,008,827</b>	<b>\$ 13,387,961</b>	<b>\$ 642,307</b>
<b>LIABILITIES</b>				
Due to Taxing Units	\$ 754,893	\$ 11,372,890	\$ 11,580,149	\$ 547,634
Collections Payable	266,548	1,639,208	1,811,083	94,673
<b>TOTAL LIABILITIES</b>	<b>\$ 1,021,441</b>	<b>\$ 13,012,098</b>	<b>\$ 13,391,232</b>	<b>\$ 642,307</b>

**BEAVER COUNTY  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
For The Year Ended December 31, 2015**

**SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**Restaurant Tax Fund:**

This fund collects restaurant tax monies to fund economic development to the County.

**Tushar Lakeside Campground Fund:**

This fund accounts for the collection of fees on the campground and the payments for upkeep of the property.

**Transient Room Tax Fund:**

This fund is used to account for room taxes collected within the County to fund the economic development activities of the County.

**Library Fund:**

This fund accounts for the activities of the bookmobile and libraries in the County.

**Public Health Fund:**

This fund is used to account for taxes collected for the purpose of funding public health services in the County.

**E-911 Fund:**

This fund is used to account for monies collected on telephone bills for providing 911 emergency services in the County.

**Municipal Building Authority Fund:**

This fund accounts for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

**Capital Projects Fund:**

This fund accounts for funds to be used for planned capital projects.

**BEAVER COUNTY**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2015**

	Restaurant Tax	Tushar Camp Ground	Transient Room Tax	Library	Public Health	E-911	Municipal Building Authority	Capital Projects	Total Nonmajor Governmental Funds
<b>ASSETS</b>									
Cash and Investments	317,133	26,476	302,608	107,725	58,469	61,608	790,342	25,000	1,689,361
Due from Other Government Units	6,698	-	15,436	-	-	3,530	-	-	25,664
<b>TOTAL ASSETS</b>	<b>323,831</b>	<b>26,476</b>	<b>318,044</b>	<b>107,725</b>	<b>58,469</b>	<b>65,138</b>	<b>790,342</b>	<b>25,000</b>	<b>1,715,025</b>
<b>LIABILITIES AND FUND EQUITY</b>									
Liabilities	-	-	-	-	-	-	-	-	-
Fund Balances:									
Restricted For:									
Economic Development	323,831	-	318,044	-	-	-	-	-	641,875
Culture and Recreation	-	-	-	107,725	-	-	-	-	107,725
Public Safety	-	-	-	-	-	65,138	-	-	65,138
Debt Service	-	-	-	-	-	-	510,255	-	510,255
Committed For:									
Public Safety	-	-	-	-	58,469	-	280,087	25,000	363,556
Economic Development	-	26,476	-	-	-	-	-	-	26,476
<b>Total Fund Balances</b>	<b>323,831</b>	<b>26,476</b>	<b>318,044</b>	<b>107,725</b>	<b>58,469</b>	<b>65,138</b>	<b>790,342</b>	<b>25,000</b>	<b>1,715,025</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>323,831</b>	<b>26,476</b>	<b>318,044</b>	<b>107,725</b>	<b>58,469</b>	<b>65,138</b>	<b>790,342</b>	<b>25,000</b>	<b>1,715,025</b>

**BEAVER COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For The Year ended December 31, 2015**

	Restaurant Tax	Tushar Camp Ground	Transient Room Tax	Library	Public Health	E-911	Municipal Building Authority	Capital Projects	Total Nonmajor Governmental Funds
<b>Revenues:</b>									
Taxes	\$ 99,431	\$ -	\$ 246,710	\$ 98,954	\$ 64,406	\$ 43,773	\$ -	\$ -	\$ 553,274
Miscellaneous	-	15,045	39,644	-	-	-	509,715	-	564,404
<b>Total Revenues</b>	<b>99,431</b>	<b>15,045</b>	<b>286,354</b>	<b>98,954</b>	<b>64,406</b>	<b>43,773</b>	<b>509,715</b>	<b>-</b>	<b>1,117,678</b>
<b>Expenditures:</b>									
Current:									
Public Safety	-	-	-	-	-	50,433	-	-	50,433
Public Health	-	-	-	-	61,282	-	-	-	61,282
Culture and Recreation	-	-	-	129,458	-	-	-	-	129,458
County Promotion	22,979	6,799	166,637	-	-	-	-	-	196,415
Debt Service:									
Principal	-	-	-	-	-	-	284,000	-	284,000
Interest	-	-	-	-	-	-	201,622	-	201,622
<b>Total Expenditures</b>	<b>22,979</b>	<b>6,799</b>	<b>166,637</b>	<b>129,458</b>	<b>61,282</b>	<b>50,433</b>	<b>485,622</b>	<b>-</b>	<b>923,210</b>
Excess Revenue Over (Under) Expenditures	76,452	8,246	119,717	(30,504)	3,124	(6,660)	24,093	-	194,468
<b>Other Financing Sources:</b>									
Transfers In (Out)	-	-	(45,750)	-	-	-	-	-	(45,750)
Net Change In Fund Balance	76,452	8,246	73,967	(30,504)	3,124	(6,660)	24,093	-	148,718
Fund Balances - Beginning	247,379	18,230	244,077	138,229	55,345	71,798	766,249	25,000	1,566,307
Fund Balances - Ending	\$ 323,831	\$ 26,476	\$ 318,044	\$ 107,725	\$ 58,469	\$ 65,138	\$ 790,342	\$ 25,000	\$ 1,715,025

**BEAVER COUNTY  
TREASURER'S TRUST FUND  
BALANCE SHEET  
December 31, 2015**

**ASSETS:**

Cash Investment	\$ 512,139
Car and Bus Receivable	25,264
Railcar Receivable	<u>21,121</u>
 TOTAL ASSETS	 <u><u>\$ 558,524</u></u>

**LIABILITIES:**

Collections Payable	\$ 2,463
Due to Taxing Units	<u>556,061</u>
 TOTAL LIABILITIES	 <u><u>\$ 558,524</u></u>



**BEAVER COUNTY  
COUNTY TREASURER  
CURRENT YEAR TAXABLE VALUES  
December 31, 2015**

<b>TAXING UNITS</b>		Real and Centrally Assessed Values	Total Real and Centrally Assessed Tax Rates	Taxes Charged	Personal Property Values	Personal Property Tax Rates	Personal Property Taxes Charged	Total Taxes Charged
County Funds:								
General		\$1,131,961,875	.001154	\$ 1,306,284	\$73,721,014	.001228	\$ 90,529	\$ 1,396,813
Tax Collection - State CAMA		\$1,131,961,875	.000012	13,584	\$73,721,014	.000013	958	14,542
Tax Collection - County		\$1,131,961,875	.000424	479,952	\$73,721,014	.000448	33,027	512,979
Library		\$1,131,961,875	.000084	95,085	\$73,721,014	.000089	6,561	101,646
Public Health		\$1,131,961,875	.000051	57,730	\$73,721,014	.000054	3,981	61,711
Total County Funds				<u>1,952,634</u>			<u>135,057</u>	<u>2,087,691</u>
Beaver County School District		\$1,131,961,875	.004638	5,250,039	\$73,721,014	.004935	363,813	5,613,852
Beaver School Levy		\$1,131,961,875	.001736	1,965,086	\$73,721,014	.001419	104,610	2,069,696
Total School District				<u>7,215,125</u>			<u>468,423</u>	<u>7,683,548</u>
Cities and Towns:								
Beaver		\$ 139,160,575	.000735	102,283	\$12,581,805	.000735	9,248	111,531
Milford		\$ 58,495,865	.002231	130,504	\$ 6,751,155	.002206	14,893	145,397
Minersville		\$ 50,227,850	.001356	68,109	\$ 181,250	.001332	241	68,350
Total Cities and Towns				<u>300,896</u>			<u>24,382</u>	<u>325,278</u>
Other:								
Fire District #1		\$ 367,711,445	.000409	150,394	\$20,781,655	.000393	8,167	158,561
Fire District #2		\$ 731,503,705	.000361	264,073	\$52,216,139	.000391	20,417	284,489
Service District #3		\$ 731,503,705	.000912	667,131	\$52,216,139	.000992	51,798	718,930
Elk Meadows District		\$ 32,746,725	.000564	18,469	\$ 723,220	.000567	410	18,879
Total Other				<u>1,100,067</u>			<u>80,792</u>	<u>1,180,860</u>
GRAND TOTALS				<u>\$10,568,723</u>			<u>\$ 708,654</u>	<u>\$11,277,377</u>

**BEAVER COUNTY  
COUNTY TREASURER  
STATEMENT OF TAXES CHARGED, COLLECTED, AND DISBURSED  
CURRENT AND PRIOR YEARS  
December 31, 2015**

	Current Years Taxes			
	Taxes Charged	Treasurer's Relief		
		Unpaid Taxes	Abatements	Other
<b>TAXING UNITS</b>				
County Funds:				
General	\$ 1,396,814	\$ 90,814	\$ 4,110	\$ (1,762)
Tax Collection - State CAMA	14,542	944	43	(18)
Tax Collection - County	512,979	33,367	1,510	(656)
Library	101,646	6,610	299	(129)
Public Health	61,711	4,013	182	(79)
Total County Funds	<u>2,087,692</u>	<u>135,748</u>	<u>6,144</u>	<u>(2,644)</u>
Beaver County School District	5,613,852	364,986	16,518	(7,084)
Beaver School Levy	<u>2,069,696</u>	<u>136,614</u>	<u>6,183</u>	<u>(3,761)</u>
Total School District	<u>7,683,548</u>	<u>501,600</u>	<u>22,701</u>	<u>(10,845)</u>
Towns:				
Beaver City	111,531	6,748	955	(448)
Milford	145,397	5,583	645	(53)
Minersville	<u>68,350</u>	<u>2,170</u>	<u>80</u>	<u>(16)</u>
Total Towns	<u>325,278</u>	<u>14,501</u>	<u>1,680</u>	<u>(517)</u>
Other:				
Fire District #1	158,561	5,118	879	(607)
Fire District #2	284,489	22,196	508	(30)
Service District #3	718,930	56,074	1,283	755
Elk Meadows District	<u>18,879</u>	<u>2,649</u>	<u>2</u>	<u>(34)</u>
Total Other	<u>1,180,859</u>	<u>86,037</u>	<u>2,672</u>	<u>84</u>
GRAND TOTALS	<u><u>\$11,277,377</u></u>	<u><u>\$ 737,886</u></u>	<u><u>\$ 33,197</u></u>	<u><u>\$ (13,922)</u></u>

Current Years Taxes			Other Collections			
Total Treasurer's Relief	Taxes Collected	Collection Rate	Fee In Lieu	Miscellaneous Collections	Delinquencies	
					Tax	Interest and Penalty
\$ 93,162	\$ 1,303,652	93.33%	\$ 55,916	\$ 14,247	\$ 29,440	\$ 31,170
969	13,573	93.34%	592	151	243	12
34,221	478,758	93.33%	20,399	5,084	9,833	471
6,780	94,866	93.33%	4,053	1,033	2,078	107
4,116	57,595	93.33%	2,459	626	1,256	64
<u>139,248</u>	<u>1,948,444</u>	<u>93.33%</u>	<u>83,419</u>	<u>21,141</u>	<u>42,850</u>	<u>31,824</u>
374,420	5,239,432	93.33%	224,713	57,345	116,623	6,032
139,036	1,930,660	93.28%	64,613	16,542	34,269	1,795
<u>513,456</u>	<u>7,170,092</u>	<u>93.32%</u>	<u>289,326</u>	<u>73,887</u>	<u>150,892</u>	<u>7,827</u>
7,255	104,276	93.50%	13,950	1,055	4,616	174
6,175	139,222	95.75%	17,787	1,329	9,413	379
2,234	66,116	96.73%	7,141	677	2,267	57
<u>15,664</u>	<u>309,614</u>	<u>95.18%</u>	<u>38,878</u>	<u>3,061</u>	<u>16,296</u>	<u>610</u>
5,390	153,171	96.60%	11,606	1,577	5,306	247
22,674	261,815	92.03%	6,224	2,846	3,326	211
58,112	660,818	91.92%	16,618	7,225	8,382	529
2,617	16,262	86.14%	48	27,742	760	16
<u>88,793</u>	<u>1,092,066</u>	<u>92.48%</u>	<u>34,496</u>	<u>39,390</u>	<u>17,774</u>	<u>1,003</u>
<u>\$ 757,161</u>	<u>\$10,520,216</u>	<u>93.29%</u>	<u>\$ 446,119</u>	<u>\$ 137,479</u>	<u>\$ 227,812</u>	<u>\$ 41,264</u>

**BEAVER COUNTY  
TAX COLLECTION AGENCY FUND  
CASH RECEIPTS AND DISBURSEMENTS  
For The Year Ended December 31, 2015**

	Treasurer's Balance December 31, 2014	Tax Collection Receipts	Current Taxes Apportioned
<b>Tax Collection Accounts:</b>			
Current Years Taxes	\$ -	\$ 10,516,645	\$(10,516,645)
Fee In Lieu	-	446,119	-
Deliquent Taxes	-	269,076	-
Miscellaneous	-	137,479	-
Prepayments	3,571	1,733	(3,571)
Cash in Imprest Fund	200	-	-
Bad Check Fee	-	120	-
May Tax Sale Fee	-	11,009	-
Refunds, Rebates, Other	500	9,973	-
	<u>4,271</u>	<u>11,392,154</u>	<u>(10,520,216)</u>
<b>Total Collections</b>	<u>4,271</u>	<u>11,392,154</u>	<u>(10,520,216)</u>
<b>Taxing Units:</b>			
County General Fund	-	-	1,303,652
Assessing and Collecting - State CAMA	2,967	-	13,573
Assessing and Collecting - County	-	-	478,758
County Library Fund	-	-	94,866
County Public Health	-	-	57,595
 Beaver School District	 629,654	 -	 7,170,092
 Cities and Towns:			
Beaver City	19,154	-	104,276
Milford	16,305	-	139,222
Minersville	4,990	-	66,116
 Other Districts:			
Fire District #1	18,030	-	153,171
Fire District #2	16,271	-	261,815
Service District #3	41,381	-	660,818
Elk Meadows SSD	6,141	-	16,262
	<u>754,893</u>	<u>-</u>	<u>10,520,216</u>
<b>Total Due Taxing Units</b>	<u>754,893</u>	<u>-</u>	<u>10,520,216</u>
 <b>GRAND TOTALS</b>	 <u><u>\$ 759,164</u></u>	 <u><u>\$ 11,392,154</u></u>	 <u><u>\$ -</u></u>

<u>Fee-In-Lieu Apportioned</u>	<u>Delinquent Taxes Apportioned</u>	<u>Rolling Stock Car and Bus And Interest</u>	<u>Total</u>	<u>Disbursements</u>	<u>Treasurer's Balance December 31, 2015</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(446,119)	-	-	-	-	-
-	(269,076)	-	-	-	-
-	-	(137,479)	-	-	-
-	-	-	1,733	-	1,733
-	-	-	200	-	200
-	-	-	120	90	30
-	-	-	11,009	11,009	-
-	-	-	10,473	9,973	500
<u>(446,119)</u>	<u>(269,076)</u>	<u>(137,479)</u>	<u>23,535</u>	<u>21,072</u>	<u>2,463</u>
55,916	60,610	14,247	1,434,425	1,434,425	-
592	255	151	17,538	16,649	889
20,399	10,304	5,084	514,545	514,545	-
4,053	2,185	1,033	102,137	102,137	-
2,459	1,320	626	62,000	62,000	-
289,326	158,719	73,887	8,321,678	7,857,894	463,784
13,950	4,790	1,055	143,225	134,404	8,821
17,787	9,792	1,329	184,435	174,225	10,210
7,141	2,324	677	81,248	78,405	2,843
11,606	5,553	1,577	189,937	180,221	9,716
6,224	3,537	2,846	290,693	274,491	16,202
16,618	8,911	7,225	734,953	693,979	40,974
48	776	27,742	50,969	48,347	2,622
<u>446,119</u>	<u>269,076</u>	<u>137,479</u>	<u>12,127,783</u>	<u>11,571,722</u>	<u>556,061</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$12,151,318</u>	<u>\$11,592,794</u>	<u>\$ 558,524</u>

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## **COMPLIANCE SECTION**

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# Kimball & Roberts

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Certified Public Accountants  
176 North Main • P.O. Box 663  
Richfield, Utah 84701

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Board of County Commissioners  
Beaver County  
Beaver, Utah 84713

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental-type activities, each major fund and the aggregate remaining fund information of Beaver County, a governmental fund, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Beaver County's financial statements, and have issued our report thereon dated May 18, 2016.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Beaver County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Beaver County's internal control. Accordingly, we do not express an opinion on the effectiveness of Beaver County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Finding and Recommendation as item 2015-1 to be a significant deficiency in internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, other material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Beaver County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of Beaver County in a separate management letter dated May 18, 2016.

### **Management's Response to Findings**

Beaver County's response to the finding identified in our audit is described in the accompanying Finding and Recommendation. We did not audit the County's response and, accordingly, we express no opinion on it.

### **Purpose of this Report**

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Kimball & Roberts, PC*  
Certified Public Accountants

May 18, 2016  
Richfield, Utah



# Kimball & Roberts

A Professional Corporation  
Certified Public Accountants  
176 North Main • P.O. Box 663  
Richfield, Utah 84701

INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH THE STATE  
COMPLIANCE AUDIT GUIDE ON COMPLIANCE WITH GENERAL STATE  
COMPLIANCE REQUIREMENTS; ON INTERNAL CONTROL OVER COMPLIANCE;  
AND SCHEDULE OF EXPENDITURES OF STATE AWARDS

The Honorable Board of County Commissioners  
Beaver County  
Beaver, Utah 84713

**Report on Compliance with General State Compliance Requirements and for Each Major State Program**

We have audited Beaver County's compliance with the applicable general state and major state program compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the County or each of its major state programs for the year ended December 31, 2015.

General state compliance requirements were tested for the year ended December 31, 2015 in the following areas:

Budgetary Compliance	Open and Public Meetings Act
Fund Balance	Cash Management
Justice Courts	Statement of Taxes Charged, Collected & Disbursed
Utah Retirement Systems	Government Records Access Management Act
Tax Levy Revenue Recognition	Conflicts of Interest
Restricted Taxes	Nepotism
Transient Room Tax and Tourism Taxes	

The County did not have any state funding classified as a major program during the year ended December 31, 2015.

***Management's Responsibility***

Management is responsible for compliance with the general state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on the County's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the and *State Compliance Audit Guide*.

Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the County occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements and for each major program. However, our audit does not provide a legal determination of the County's compliance.

### ***Opinion on General State Compliance Requirements***

In our opinion, Beaver County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the County for the year ended December 31, 2015.

### ***Other Matters***

The results of our auditing procedures disclosed no instances of noncompliance that are required to be reported in accordance with the *State Compliance Audit Guide*.

### **Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the compliance requirements that could have a direct and material effect on the County to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state compliance requirement on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance*, is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of State Awards as Required by the *State Compliance Audit Guide***

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, and the aggregate remaining fund information of the County as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated May 18, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of State Awards is presented for purposes of additional analysis as required by the *State Compliance Audit Guide* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of State Awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Kimball & Roberts, PC*  
Certified Public Accountants

May 18, 2016  
Richfield, Utah

**BEAVER COUNTY**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**For The Year Ended December 31, 2015**

<u>Grant Name</u>	<u>Award/ Contract #</u>	<u>Year of Last Audit</u>	<u>Expenditures</u>
<b><u>Department of Transportation</u></b>			
Class B Road Fund	N/A	2014	<u>\$ 1,131,480</u>
Total Department of Transportation			<u>1,131,480</u>
<b><u>Department of Public Safety</u></b>			
DUI Grant	N/A	N/A	6,127
EMPG Grant	N/A	N/A	<u>22,000</u>
Total Department of Public Safety			<u>28,127</u>
<b><u>Governor's Office</u></b>			
VOCA Grant	N/A	N/A	<u>24,977</u>
Total Governor's Office			<u>24,977</u>
<b><u>Department of Health and Human Services</u></b>			
HAVA Grant	N/A	N/A	<u>16,236</u>
Total Department of Health and Human Services			<u>16,236</u>
<b>TOTAL GRANT, CONTRACT, AND LOAN FUND EXPENDITURES</b>			<u><u>\$ 1,200,820</u></u>

**BEAVER COUNTY**  
**SCHEDULE OF TRANSIENT ROOM TAX AND TOURISM TAXES**  
**For The Year Ended December 31, 2015**

**Transient Room Tax:**

Establish and Promoting:	
Recreation	\$ 36,500
Tourism	84,200
Film Production	-
Conventions	-
Acquiring, Leasing, Construction, Furnishing or Operating:	
Convention Meeting Rooms	-
Exhibit Halls	-
Visitor Information Centers	5,530
Museums	40,230
Related Facilities	-
Acquiring or Leasing Land Required For or Related To:	
Convention Meeting Rooms	-
Exhibit Halls	-
Visitor Information Centers	-
Museums	-
Related Facilities	-
Mitigation Costs:	
Search and Rescue Activities	-
	<hr/>
Total Expenditures	<u><u>\$ 166,460</u></u>

**Tourism Taxes:**

Financing Tourism Promotion	\$ -
Development, Operation and Maintenance of:	
Tourist Facilities	-
Recreation Facilities	-
Culture Facilities	-
Airport Facilities	-
Pledges as Security for Evidence of Indebtedness	-
Reserves and Pledges:	
Reserves on Bonds Related to TRT Funds	-
Pledges as Security for Evidences of Indebtedness Related to TRCC	-
	<hr/>
Total Expenditures	<u><u>\$ -</u></u>

# Kimball & Roberts

A Professional Corporation  
Certified Public Accountants  
176 North Main • P.O. Box 663  
Richfield, Utah 84701

## **FINDING AND RECOMMENDATION**

The Honorable Board of County Commissioners  
Beaver County  
Beaver, Utah 84713

During our audit of the financial statements of Beaver County for the year ended December 31, 2015, we found a circumstance that, if improved, would strengthen the County's accounting system and control over its assets. This item is discussed below for your consideration:

### **Significant Deficiency Finding and Recommendation:**

2015-1 Management of Tax Account:

#### **Condition:**

The County's tax account is currently being managed and reviewed only by the treasurer's office. The auditor's office has no part in the bookkeeping or oversight of this account.

#### **Criteria:**

The auditor's office can help to provide additional segregation of duties and oversight on the County's tax account.

#### **Effect:**

The lack of oversight increases the risk of fraud or misappropriation of funds.

#### **Auditor's Recommendation:**

We recommend that the auditor's office review the Treasurer's office monthly reconciliation of the tax accounts. The auditor and treasurer should jointly reconcile, on a monthly basis, the cash on books and cash in bank accounts for all County cash accounts. Payments to the tax entities should be reviewed by the Commissioners.

#### **Beaver County's Response:**

The Auditor's office will jointly with the treasurer's office review monthly the property tax account to ensure proper handling of property tax funds.

The Honorable Board of County Commissioners  
Beaver County  
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This report is intended solely for the information and use of management, County Commission and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

*Kimball & Roberts, PC*

Certified Public Accountants

May 18, 2016  
Richfield, Utah

# Kimball & Roberts

A Professional Corporation  
Certified Public Accountants  
176 North Main • P.O. Box 663  
Richfield, Utah 84701

## **RESOLUTION OF FINDING AND RECOMMENDATION 2014-1**

The Honorable Board of County Commissioners  
Beaver County  
Beaver, Utah 84713

During our audit of the financial statements of Beaver County for the year ended December 31, 2014, we found a circumstance that, if improved, would strengthen the County's accounting system and control over its assets. The resolution of this item is discussed below for your consideration:

### **Resolution of Material Weakness Finding and Recommendation 2014-1**

#### **2014-1 Bank Reconciliations:**

##### **Condition:**

During the audit we found that the bank reconciliations were not being reconciled timely. We noted that June 2014 through December 2014 were not reconciled until January 2015.

##### **Criteria:**

Controls should be established to ensure that bank reconciliations are being prepared on a monthly basis.

##### **Effect:**

Failure to reconcile the bank statements monthly could result in not identifying problems with receipts and disbursements and maintaining a proper cash balance available as funds are needed. Possible overdrafts of the bank account could also occur.

##### **Resolution:**

During our audit of the financial statements for the year ended December 31, 2015 we noted that bank accounts are currently being reconciled each month.

Respectfully submitted,

*Kimball & Roberts, PC*  
Certified Public Accountants

May 18, 2016  
Richfield, Utah